



# Office of Inspector General

U.S. Consumer Product Safety Commission

## Audit of the Telework Program for Fiscal Year 2016

September 29, 2017

## **Vision Statement**

We are agents of positive change striving for continuous improvements in our agency's management and program operations.

## **Statement of Principles**

We will:

Work with the Commission and the Congress to improve program management;

Maximize the positive impact and ensure the independence and objectivity of our audits, investigations, and other reviews;

Use our investigations and other reviews to increase Government integrity and recommend improved systems to prevent fraud, waste, and abuse;

Be innovative, question existing procedures, and suggest improvements;

Build relationships with program managers based on a shared commitment to improving program operations and effectiveness;

Strive to continually improve the quality and usefulness of our products;  
and


Work together to address Government-wide issues.



Office of Inspector General  
U. S. CONSUMER PRODUCT SAFETY COMMISSION

September 29, 2017

TO: Ann Marie Buerkle, Acting Chairman  
Robert S. Adler, Commissioner  
Elliot F. Kaye, Commissioner  
Joseph Mohorovic, Commissioner  
Marietta S. Robinson, Commissioner

FROM: Christopher W. Dentel, Inspector General 

SUBJECT: Audit of the Telework Program

This report contains the results of our audit of the U.S. Consumer Product Safety Commission's (CPSC) Telework Program. The goal of the Telework Program is to help the CPSC meet the agency's mission. In addition, telework can improve employee work-life balance which can help with employee retention and save the agency real estate and energy costs.

This audit was conducted in accordance with Government Auditing Standards. The objectives of the audit were to ascertain if the CPSC had an effective program in place to capitalize on the benefits of telework, established adequate internal controls over telework, and administered its Telework Program in accordance with Federal regulations, guidance, and agency policy. Overall, we found that the Telework Program was not entirely effective and neither fully complied with Federal laws nor followed current best practices.

In our report we make nine recommendations which when implemented will provide management tools to improve internal controls over telework, provide an effective program, and support the agency's goal to cultivate the most effective consumer product safety workforce.

In the next 30 calendar days, in accordance with OMB A-50, Management shall provide me with a Corrective Action Plan describing the specific actions they anticipate taking to implement each recommendation.

Thank you for the courtesy and cooperation extended to my staff during the audit.

This page is intentionally left blank.



# Audit of the Telework Program

September 2017

Summary

## Objectives

The primary objectives of this audit were to determine if the U.S. Consumer Product Safety Commission (CPSC) has:

- an effective program in place to capitalize on the benefits of telework;
- established adequate internal controls over telework; and
- administers its Telework Program in accordance with Federal laws, regulations, guidance, and agency policy.

## Background

The CPSC is an independent Federal regulatory agency with a public health and safety mission to protect the public from unreasonable risks of injury and death from consumer products.

According to the CPSC's Strategic Plan for 2016-2020, the agency plans to focus on operational excellence to enable a high-performing workforce. The CPSC will support and enhance the recruitment, retention, and continuous development of an agency workforce focused on excellence. Supplementing this goal are the strategic objectives related to attracting a talented and diverse workforce and increasing employee engagement.

Overall, the goal of telework is to meet the agency mission. In addition, telework can improve employee work-life balance which can help with employee retention and save the agency real estate and energy costs.

This report addresses:

### CPSC Strategic Goal #1:

*Cultivate the most effective consumer product safety workforce*

### OIG Management Challenge #2:

*Adequacy of internal controls*

## Findings

Overall, we found that the agency's Telework Program is not entirely effective and does not fully comply with Federal laws, regulations, Office of Personnel Management (OPM) best practices and agency policy.

We found management has not implemented processes that permit eligible employees to participate in telework to the "maximum extent possible without diminished employee performance"; fully implemented internal controls over the Telework Program, and collected and reported accurate program information.

Further, management has not developed a policy that fully complies with Federal law or aligned agency policy with agency practice. For example, CPSC policy requires senior management's active oversight of the program and Federal law requires senior management's involvement in outside reporting on telework progress. In practice, the agency's telework coordinator administers the Telework Program, and collects and maintains all of the required telework forms. First-level supervisors approve or reject telework requests. Contrary to Federal law, required data was submitted to OPM by non-senior staff. Management does not ensure telework training is provided to relevant agency staff. Finally, not all teleworkers' laptops were encrypted.

## Recommendations

This report contains nine recommendations. To summarize, management should develop and consistently implement a policy that complies with current Federal law and OPM best practices. Management should implement a process to validate the completeness and accuracy of telework information used for reporting and internal decision-making. Management should also implement a process to ensure all agency laptops are encrypted. When implemented, our recommendations will provide management tools to improve internal controls over telework, provide an effective program, and support the agency's strategic goal to cultivate the most effective consumer product safety workforce.

# Table of Contents

Transmittal Letter .....	1
Summary .....	3
Abbreviations .....	5
Objectives .....	6
Background.....	6
Findings .....	9
Finding 1: Policies Out-of-Date and Non-Compliant with Federal Law .....	9
Finding 2: Inconsistent Telework Policy Application .....	10
Finding 3: Telework Files are Incomplete.....	12
Finding 4: Telework Reporting Incomplete and Unreliable .....	13
Finding 5: Laptops Not Consistently Encrypted .....	15
Consolidated List of Recommendations .....	17
Appendix A: Scope and Methodology .....	18
Scope .....	18
Methodology .....	18
Appendix B: Internal Control Summary.....	19
Appendix C: Agency Response.....	20
CONTACT US .....	22

## Abbreviations

COOP	Continuity of Operations Plan
CPSC	U.S. Consumer Product Safety Commission
ERB	Executive Review Board
Flexiplace Directive	Directives System Order 1080.2, <i>Personnel Administration – Employee Programs, Flexiplace Program</i>
FY	Fiscal Year
OMB	Office of Management and Budget
OPM	Office of Personnel Management
Telework Act	Telework Enhancement Act of 2010
TMO	Telework Managing Officer

## Objectives

The primary objectives of this audit were to determine if the U.S. Consumer Product Safety Commission (CPSC) has an effective program in place to capitalize on the benefits of telework, established adequate internal controls over telework, and administered its Telework Program in accordance with Federal laws, regulations, guidance, and agency policy.

## Background

The CPSC is an independent Federal regulatory agency with a public health and safety mission to protect the public from unreasonable risks of injury and death from consumer products. According to the CPSC's Strategic Plan 2016-2020, the agency plans to focus on operational excellence to support a high-performing workforce. The CPSC will support and enhance the recruitment, retention, and continuous development of an agency workforce focused on excellence. Supplementing this goal are the strategic objectives related to attracting a talented and diverse workforce and increasing employee engagement.

Overall, the goal of telework is to help the CPSC meet the agency's mission. In addition, telework can improve employee work-life balance which can help with employee retention and save the agency real estate and energy costs.

### Telework Legislation and Guidance

Telework was formally established for Federal employees as part of the Department of Transportation and Related Agencies Appropriation Act of 2001, which required all executive agencies to establish policies to enable telework "to the maximum extent possible without diminished employee performance." The Telework Enhancement Act of 2010 (Telework Act) expanded telework opportunities. According to the Office of Personnel Management (OPM), the intent of the Telework Act is to encourage agencies to allow employees to telework. Telework is a "work flexibility arrangement under which an employee performs the duties and responsibilities of such employee's position, and other authorized activities, from an approved worksite other than the location from which the employee would otherwise work."<sup>1</sup>

The Telework Act requires the head of each executive agency to "establish and implement a policy under which employees shall be authorized to telework." This act

---

<sup>1</sup> OPM, *Guide to Telework in the Federal Government (Guide)*, page 4.



also requires the agency head to designate a Telework Managing Officer (TMO) to develop and implement telework policies, advise agency leadership, serve as a resource for agency employees and managers, and act as the agency's primary point of contact to OPM for telework matters.

The Telework Act includes requirements for training and monitoring teleworkers, ensuring the security of telework systems, integrating the Telework Program into the agency's Continuity of Operations Plan (COOP), and reporting the status of the agency's implementation of telework to oversight bodies. In addition, the Telework Act directed OPM to develop a website (Telework.gov) with telework legislation and guidance for Federal agencies and employees. This website also contains links to online telework training courses for teleworkers and their managers.

According to OPM, "telework programs are established primarily to meet agency mission and operational needs. Telework saves money by helping government reduce real estate and energy costs and promote management efficiencies; makes us more resilient in severe weather and other emergencies; improves the quality of employee work-life; and increases employment opportunities for persons with disabilities."<sup>2</sup>

### Telework Data Reporting

The Telework Act requires agency management to report on telework annually. OPM aggregates and summarizes agency reports for Congress, the Office of Management and Budget (OMB), and the Comptroller General. In addition, the Chief Human Capital Officer, or equivalent, in consultation with the TMO of that agency, is required to submit a report to the Chief Human Capital Officers Council on agency management efforts to promote telework.

The CPSC claimed to meet its participation goal of 78 percent of eligible employees teleworking for fiscal year (FY) 2016. Reported participation did not, in fact, meet this goal.

**Table 1. Percent CPSC Employees Teleworking**

Total employees	564
Telework eligible employees	478
Teleworking employees	356
<b>Teleworking by eligible employees</b>	<b>74 percent</b>

Source: CPSC responses to the FY 2016 OPM Data Call

---

<sup>2</sup> OPM, *Guide*, page 2.

Furthermore, later in the data call, the CPSC reported contradictory information, stating that 246, or 51 percent, of eligible employees participated in the Telework Program.

**Table 2. Telework Frequency**

<b>Frequency of telework</b>	<b># of employees</b>
No more than one time per month	Not reported
1-2 days per two-week period	99
3 or more days per two-week period	127
Situational telework	20
<b>Total reported teleworkers</b>	<b>246</b>

Source: CPSC responses to the FY 2016 OPM Data Call

The CPSC stated that the information reported came from the time and attendance system, but was unable to re-perform the calculation during audit fieldwork. Relative to goal-setting, the CPSC stated that the agency used telework to further its emergency preparedness goal as part of its COOP. However, the CPSC did not respond to the question as to how agency management evaluated its efforts to promote telework in FY 2016.

### **CPSC Telework Implementation**

The CPSC’s approach to telework has evolved over time. The CPSC first permitted full-time telework for field staff in the mid-1990s. By 2003 all field staff teleworked. The CPSC began telework for non-supervisory headquarter employees in 2001. Supervisors were permitted to telework, on a limited basis, beginning in 2012.

The agency’s telework policy, Directives System Order 1080.2, Flexiplace Directive, was written in July 2002 and updated in June 2011. The provisions outlined in the directive and supporting guidance are applicable to all CPSC employees.

The CPSC effectively requires all teleworkers to have a signed telework agreement prior to beginning telework and has developed policies and procedures to govern the agency’s Telework Program. However, management does not have adequate internal controls in place to support the agency’s Telework Program. The agency’s Telework Program is not coordinated with broader agency goals and strategic plans and does not comply with all of the applicable Federal laws and regulations.

# Findings

## **Finding 1: Policies Out-of-Date and Non-Compliant with Federal Law**

We found that the CPSC has not updated its telework policies, procedures, forms, and other information to fully reflect current Federal law.

The foundation of current Federal telework policies is the Department of Transportation and Related Agencies Appropriation Act of 2001, which states, “[e]ach executive agency shall establish a policy under which eligible employees of the agency may participate in telecommuting to the maximum extent possible without diminished employee performance.”

The Telework Act further requires Federal agencies to:

- Determine the eligibility for all employees of the agency to participate in telework;
- Limit telework for employees who have been absent without leave or disciplined for certain ethical violations;
- Incorporate telework into the agency’s COOP;
- Treat teleworkers and non-teleworkers in the same manner for purposes of annual appraisal, access to promotion, work requirements and other acts of managerial discretion;
- Designate a senior official with specific reporting responsibilities to serve as the TMO;
- Report accurate information annually to OPM and the Chief Human Capital Officers Council;
- Utilize OPM guidance to develop agency specific policy, policy guidance, and goal setting; and
- Provide interactive training to all eligible teleworkers and their supervisors.

The existing CPSC policy document, Flexiplace Directive, does not:

- Promote maximum telework access and flexibility;
- Prohibit telework for employees who have been absent without permission for more than five days in any calendar year or disciplined for specific ethical violations;
- Integrate telework into the CPSC’s COOP;
- Provide a statement that teleworkers are to be treated similarly to non-teleworkers for appraisal, promotion, and work requirements;

- Require the designation of a senior official by the agency head to serve as TMO and perform associated duties itemized in the Telework Act;
- Identify external reporting requirements and the responsible reporter
- Reflect the latest OPM best practices;
- Require all eligible employees to complete interactive telework training; and
- Reference the Telework Enhancement Act of 2010 as an authority for the Flexiplace Directive.

This condition exists because the CPSC has not dedicated resources to update the telework policy and related information to cover all legally required elements and OPM best practices. Consequently, the CPSC is not compliant with Federal law and regulations

**Recommendation:**

We recommend CPSC management:

1. Develop and implement a telework policy that is compliant with current Federal laws, regulations, and OPM best practices where appropriate.

**Finding 2: Inconsistent Telework Policy Application**

We found that the CPSC has not consistently implemented the agency’s telework policies.

The Telework Act requires teleworkers and non-teleworkers to be treated the same for appraisal, training, work requirements, and other acts involving managerial discretion.

OPM developed telework guidance as required by the Telework Act. In this guidance, published at [telework.gov](http://telework.gov), OPM noted that telework should be applied strategically and fairly across broad groups by supervisors. OPM also recommends agencies revisit eligibility determinations made in the early stages of telework implementation as a way to continue progress in expanding Telework Programs.

The CPSC’s Flexiplace Directive established the process for determining position eligibility and reviewing telework requests. Supervisors and managers are responsible for approving or disapproving an employee’s written request to telework and providing a written justification for the disapproval. Assistant/Associate Executive or Office Directors are responsible for concurring/non-concurring with the first line supervisor’s approval/disapproval of an employee’s telework request and then forwarding the request to the Executive Review Board (ERB). The ERB “review[s] each request for telework to ensure equity, fairness, and adherence to Agency policy.” Specifically, the

ERB is responsible for the final approval or disapproval for all telework decisions including eligibility of positions, individual telework requests, requests for exceptions to the criteria, and termination of telework for individual employees.

The CPSC was unable to provide evidence of:

- Assistant/Associate Executive or Office Director routine review of supervisor telework approvals and disapprovals;
- Valid/current ERB analysis of telework eligibility by position;
- ERB review of individual requests for telework to ensure equity, fairness, and adherence to agency policy;
- ERB review of requests for exceptions to the telework criteria; and
- ERB review of termination of telework privileges.

In practice, first line supervisors are functioning as the final approval authority for telework requests. The telework coordinator routinely reviews and approves all telework requests forwarded by first line supervisors, despite the fact that the request for telework has not been reviewed/concurred by the Assistant/Associate Executive or Office Director as required by the Flexiplace Directive. First-line supervisors, in addition to being the de facto final approval authority on requests for telework, have been functioning as the final authority on decisions to suspend and terminate telework agreements.

This condition exists because the CPSC failed to follow and adequately document the agency's own internal procedures designed to ensure an equitable application of telework policies. The lack of well-documented, consistent, transparent eligibility and approval processes increases the risk that employees will perceive the telework approval process as unfair. Actual or perceived unfairness could undermine the benefits of telework for the agency.

### **Recommendations:**

We recommend CPSC management:

2. Align agency practice and telework policy regarding employee participation and position eligibility.
3. Document all decisions made with regard to position eligibility, individual participation including policy exceptions, participation limits, and termination of telework agreements.

### **Finding 3: Telework Files Are Incomplete**

We found that the CPSC's telework files are incomplete and not routinely reviewed.

The Government Accountability Office, "*Standard for Internal Control in the Federal Government*," requires Federal agencies to design control activities so that "[m]anagement clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination." The Telework Act requires that teleworkers must have a written agreement with an agency manager outlining a specific work arrangement that is agreed upon before the employee can telework.

In addition, agency procedures require evidence of a completed Telework Agreement, Self-Certification Safety Checklist for Home-based Teleworkers, Supervisor-Employee Checklist, Acceptable Use Policy, and Service Level Agreement prior to an employee participating in the Telework Program. Both the Telework Act and agency policy require that both teleworkers and their supervisors complete telework training. Finally, according to a program manager, it is "agency policy" to regularly review files, at least once every two years.

The Office of Inspector General reviewed 45 randomly selected files for completeness and timeliness of the most recent agency review. The analysis showed:

- 4 of 45 lacked documentation of specific work arrangements
- 16 of 45 lacked a signed agreement between the employee and current supervisor
- 4 of 45 lacked a Self-Certification Safety Checklist
- 9 of 45 lacked a Supervisor-Employee Checklist
- 8 of 45 lacked an Acceptable Use Policy
- 7 of 45 lacked a Service Level Agreement
- 10 of 45 lacked evidence the employee completed telework training
- 45 of 45 lacked evidence the supervisor completed telework training
- 45 of 45 lacked evidence that the Office Director or Assistant Executive Director approved the telework request
- 30 of 45 lacked evidence of review of telework agreements within the two years prior to September 30, 2016

This condition exists because the CPSC does not have policies and procedures in place to ensure that telework files are complete and routinely reviewed. Consequently, these incomplete files increase the likelihood employees are teleworking without required training, supervision, and documentation.

## **Recommendation:**

We recommend that CPSC management:

4. Design and implement a process to ensure that telework files are complete and regularly reviewed, at least biennially.

## **Finding 4: Telework Reporting Incomplete and Unreliable**

We found that the information provided to OPM for FY 2016 was incomplete and unreliable.

The Telework Act imposes multiple reporting requirements on agencies. These requirements include reporting:

- number and percent of employees eligible to telework;
- number and percent of eligible employees actually teleworking
  - a. 3 or more days per pay period
  - b. 1 or 2 days per pay period
  - c. once per month
  - d. on an occasional, episodic, or short-term basis;
- method for gathering telework eligibility and participation data;
- if the total number of employees teleworking changes more than 10 percent from the prior year, the reason(s) for the change;
- explanation of whether the agency met its goals for the last reporting period;
- actions being taken to identify and eliminate barriers to maximize telework in the future;
- assessment of the progress towards meeting participation goals;
- goals relating to the impact of telework on
  - a. emergency readiness
  - b. energy use
  - c. recruitment and retention
  - d. performance
  - e. productivity
  - f. employee attitudes and opinions regarding telework; and
- agency best telework practices.

The Telework Act requires the head of the CPSC to designate an employee as the TMO who acts as the primary point of contact with OPM for telework matters. Additionally, the Chief Human Capital Officer, or equivalent, in consultation with the TMO, must report on the items identified above, to the Chief Human Capital Officers Council.

The CPSC's Flexiplace Directive assigned the Director of Human Resources with overall Telework Program responsibility. Separately, the directive assigned a TMO as the primary agency point of contact for the OPM on telework matters without further specifying the position.

The information provided to OPM for FY 2016 was incomplete, unreliable, and was not provided by the TMO or the Director of Human Resources. In the data provided, management failed to adequately document and accurately provide:

- Accurate and supported numbers to reflect the number of eligible and participating teleworkers and participation goals;
- Methodology used to evaluate progress made toward agency goals;
- Information related to CPSC telework related to certain qualitative goals;
- Description of how management evaluates its program to promote telework; and
- Report on management efforts to promote telework.

In an agency-wide survey administered as part of this audit, CPSC staff noted the following regarding the use of telework indicators in the agency's time and attendance system:

- 25 (11%) of 221 teleworkers stated they do not consistently use the telework indicators; and an additional
- 13 (6%) of the 221 teleworkers are unfamiliar with the telework indicators; and
- 4 (8%) of the 53 supervisors/managers do not require their teleworkers to use the telework indicator.

This condition exists because the CPSC has not established and validated quantitative and qualitative program goals. The CPSC does not universally monitor the use of telework indicators and does not have effective control over the quality of the information used to report telework participation and progress towards agency participation goals. Further, the CPSC has not identified a position with responsibility for Telework Act-mandated reporting in its Flexiplace Directive. Consequently, the CPSC is not in compliance with Telework Act reporting requirements and does not have a valid methodology to measure program effectiveness. As a result, progress towards telework goals, including reducing real estate and energy costs, could not be accurately quantified.



## Recommendations:

We recommend that CPSC management:

5. Implement a process to validate telework information reported to outside parties and used for internal decision-making to internal source data on a routine basis.
6. Train all telework participants, supervisors, and other staff who review and use this data on how to use telework indicators in the timekeeping system.

## Finding 5: Laptops Not Consistently Encrypted

We found that management did not encrypt all agency laptops assigned to teleworkers.

The Telework Act requires that management “protect agency information (including personally identifiable information) and information systems[.]” Further, the National Institute of Standards and Technology guidance developed to support the secure implementation of telework systems states “an organization should have a policy of encrypting all sensitive data when it is at rest on the device and on removable media used by the device.”<sup>3</sup> In addition, the CPSC developed a standard operating procedure requiring all laptops to be encrypted as part of the machines’ initial configuration and prior to issuance to employees.

Out of the 21 non-virtualized laptops sampled, three were not encrypted. According to management, two of the unencrypted laptops identified were configured as “special purpose” laptops and never left the agency headquarters building. All unencrypted laptops were encrypted by management as soon as they were identified, and prior to the close of audit fieldwork.

This condition exists because the CPSC does not have a process in place to confirm all laptops are encrypted. Consequently, without encryption, CPSC data is vulnerable to compromise if devices are lost or stolen.

---

<sup>3</sup> National Institute of Standards and Technology, Special Publication 800-46, revision 2, *Guide to Enterprise Telework, Remote Access, and Bring Your Own Device (BYOD) Security*, page 26.

**Recommendations:**

We recommend that CPSC management:

7. Perform an assessment to identify and remediate all unencrypted laptops currently issued by the CPSC.
8. Implement a formal periodic review of agency laptops to ensure that each CPSC machine is adequately encrypted.
9. Require the staff responsible for encrypting CPSC laptops to formally certify that these machines are adequately encrypted prior to issuance.

## Consolidated List of Recommendations

We recommend CPSC management:

1. Develop and implement a telework policy that is compliant with current Federal laws, regulations, and OPM best practices where appropriate.
2. Align agency practice and telework policy regarding employee participation and position eligibility.
3. Document all decisions made with regard to position eligibility, individual participation including policy exceptions, participation limits, and termination of telework agreements.
4. Design and implement a process to ensure that telework files are complete and regularly reviewed, at least biennially.
5. Implement a process to validate telework information reported to outside parties and used for internal decision-making to internal source data on a routine basis.
6. Train all telework participants, supervisors and other staff who review and use this data, on how to use telework indicators in the timekeeping system.
7. Perform an assessment to identify and remediate all unencrypted laptops currently issued by the CPSC.
8. Implement a formal periodic review of agency laptops to ensure that each CPSC machine is adequately encrypted.
9. Require the staff responsible for encrypting CPSC laptops to formally certify that these machines are adequately encrypted prior to issuance.

# Appendix A: Scope and Methodology

## Scope

The scope of this audit was telework policies, procedures, and participation in FY 2016. Fieldwork for this audit was performed February 2017 through July 2017 at CPSC headquarters in Bethesda, Maryland. Throughout the audit, auditors were aware of the possibility or existence of fraud, waste, or misuse in the program under review.

## Methodology

To accomplish the audit objectives, we reviewed Federal and CPSC criteria, including:

- Department of Transportation and Related Agencies Appropriation Act of 2001, Public Law 106-346 §359
- Telework Enhancement Act of 2010, Public Law 111-292
- Government Accountability Office, *Standards for Internal Control in the Federal Government*
- National Institute of Standards and Technology, Special Publication 800-46, revision 2, *Guide to Enterprise Telework, Remote Access, and Bring Your Own Device (BYOD) Security*
- Office of Personnel Management, *Guide to Telework in the Federal Government*
- Telework.gov
- CPSC's Flexiplace Directive, Directives System Order 1080.2, *Personnel Administration – Employee Programs, Flexiplace Program*

We interviewed agency personnel to gain their understanding of the history and current operation of the Telework Program, as well as policies, practices, and reporting requirements. We conducted an agency-wide telework survey to gain an understanding of employees' awareness and perception of the Telework Program, and to solicit recommendations for improvement. We reviewed and re-performed key information security controls for the technologies that support, enable, and secure telework. We reviewed a sample of 45 telework files for completeness and timeliness of review.

We conducted this performance audit in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix B: Internal Control Summary

The Government Accountability Office, *Standards of Internal Control in the Federal Government*, is the primary criteria used for internal control testing purposes. These criteria are the standard that Federal agencies must follow to maintain effective internal controls for both financial and non-financial programs. Internal control is a process used by management to help a program achieve its goals. There are five internal control components and 17 principles.

**Table 3. Results of Internal Control Review**

Internal Control Components and Principles		Met	Partially Met	Not Met
<i>Control Environment</i>				
1	The oversight body and management should demonstrate a commitment to integrity and ethical values		x	
2	The oversight body should oversee the entity's internal control system			x
3	Management should establish an organizational structure, assign responsibilities, and delegate authority to achieve the entity's objectives.			x
4	Management should demonstrate a commitment to recruit, develop and retain competent individuals		x	
5	Management should evaluate performance and hold individuals accountable for their internal control responsibilities.			x
<i>Risk Assessment</i>				
6	Management should define objectives clearly to enable the identification of risks and define risk tolerances		x	
7	Management should identify, analyze and respond to risks related to achieving the defined objectives.			x
8	Management should consider the potential for fraud when identifying, analyzing and responding to risks		x	
9	Management should identify, analyze and respond to significant changes that could impact the internal control system.			x
<i>Control Activities</i>				
10	Management should design control activities to achieve objectives and respond to risks			x
11	Management should design the entity's information system and related control activities to achieve objectives and respond to risks		x	
12	Management should implement control activities through policies			x
<i>Information and Communication</i>				
13	Management should use quality information to achieve the entity's objectives.			x
14	Management should internally communicate the necessary quality information to achieve the entity's objectives.		x	
15	Management should externally communicate the necessary quality information to achieve the entity's objectives.			x
<i>Monitoring</i>				
16	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.			x
17	Management should remediate identified internal control deficiencies on a timely basis.			x
<b>Totals</b>			<b>6</b>	<b>11</b>
Source: CPSC OIG analysis based on interviews and document reviews.				

## Appendix C: Agency Response

The OIG presented agency management with the Notice of Findings and Recommendations on August 17, 2017. Management stated their agreement with each of the findings in their response on September 6, 2017. We held an exit conference with the agency on September 27, 2017, where management indicated their general agreement with the report.

### **Finding 1: Policies out-of-date and non-compliant with Federal law**

#### Management response

*Management concurs with the recommendation.*

*A complete policy review was done in 2011 following the Telework Enhancement Act of 2010. Management agrees that the policy can be more specific and will review and make changes based on the current telework legislation and the OPM best practices guidance to determine changes, where appropriate.*

### **Finding 2: Inconsistent telework policy application**

#### Management response

*Management concurs with the recommendation.*

*Management agrees that the telework policy needs to reflect the current procedure for approvals/terminations/exceptions and will update the policy accordingly. All actions of the ERB will be documented.*

### **Finding 3: Telework files are incomplete**

#### Management response

*Management concurs with the recommendation.*

*Management will incorporate a review process into current operating procedures.*

### **Finding 4: Telework Reporting Incomplete and Unreliable**

#### Management response

*Management concurs with the recommendations.*

*All telework data is maintained in FPPS (personnel/payroll system) utilizing the telework data standards (March 2012) and is now reported to OPM through the*

*Enterprise Human Resources Integration (EHRI) system. Management agrees to validate current FPPS telework data with supervisors and perform periodic reviews. Management agrees to continue to provide information/training to employees and managers on the use of telework indicators in webTA.*

### **Finding 5: Laptops not consistently encrypted**

#### Management response

*Management concurs with the recommendation.*

*All unencrypted laptops identified through this audit have been encrypted or removed from service. EXIT's standard operating procedures (SOPs) require the encryption of all mobile devices that may contain sensitive information to have end point data encryption applied prior to issuance.*

*We are undertaking a comprehensive review of our telework laptops to ensure that all issued devices conform to this requirement and are modifying our current SOPs to include a periodic confirmation of the encryption status. We are also updating our mobile device imaging SOP to incorporate a configuration check prior to issuance that will include confirmation of successful encryption. Any deviations from this SOP will require CIO approval and clear labeling on the device indicating that the hard disk is not encrypted and may not be removed from the facility.*

## CONTACT US

If you want to confidentially report or discuss any instance of misconduct, fraud, waste, abuse, or mismanagement involving CPSC's programs and operations, please contact the CPSC Office of Inspector General.



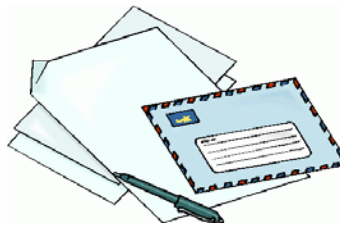
Call:

Inspector General's HOTLINE: 301-504-7906  
Or: 1-866-230-6229



Click [here](#) for complaint form.

Click [here](#) for CPSC OIG website.



Or Write:

Office of Inspector General  
U.S. Consumer Product Safety Commission  
4330 East-West Highway, Room 702  
Bethesda MD 20814